

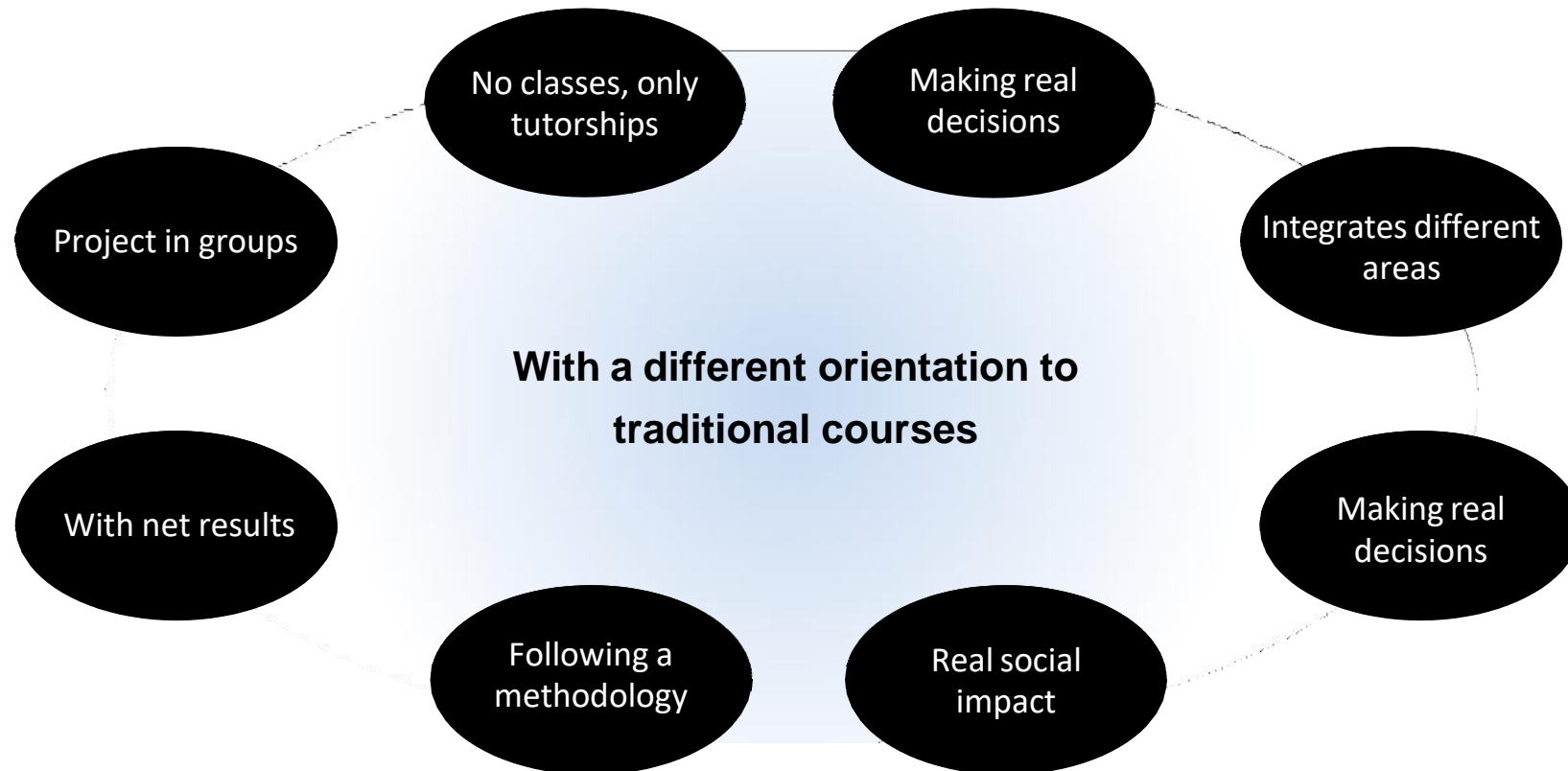


## E Commerce Business Game

Prof.: Alfredo Rodríguez-Fuertes



## E-commerce Business Game



## E-commerce Business Game

### Service Learning (S-L) methodology

- The Service Learning (S-L) is an educational methodology that combines the learning processes of the student with the provision of services to the community.
- It links learning with a service to the community in order to alleviate real needs of the environment (solidarity purposes).
- The SL is an approach with a marked experiential nature based on the methodology “Learning by doing”, where the performance of authentic and real activities and tasks play an essential role.
- Three basic educational dynamisms:

Service to the  
community

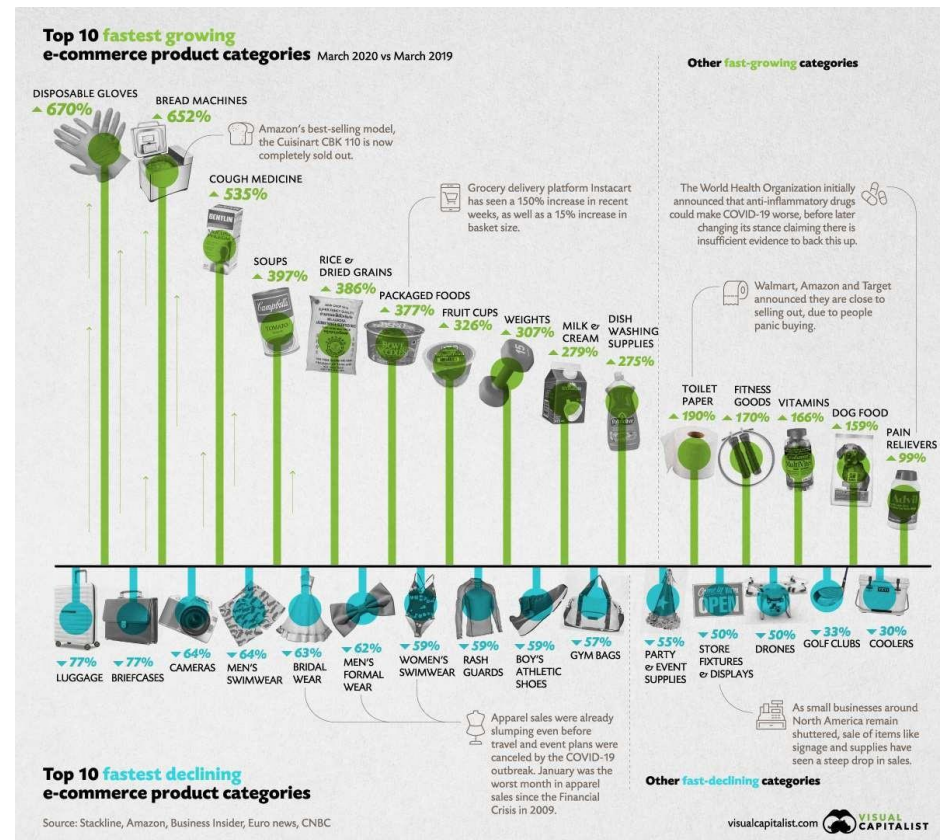
Civic needs or  
challenges

Learning content,  
skills and values

# E-commerce Business Game

## INTRODUCTION

- Selling products in Internet has become an increasingly frequent activity which already has millions of fans.
- Sales activities can be developed as an amateur or developing a marketing strategy, in the same way professionals do when they sell their products in stores.
- Selling in internet is a business opportunity, and there are people who are specialized in this activity, buying products or batches of products and resell them later.



# Global e-commerce 2019



## COVID-19 will permanently change e-commerce

- The COVID-19 crisis accelerated an expansion of e-commerce towards new firms, customers and types of products. It has provided customers with access to a significant variety of products from the **convenience and safety** of their homes, and has **enabled firms to continue operation** in spite of contact restrictions and other confinement measures.
- Despite persistent cross-country differences, the COVID-19 crisis has enhanced dynamism in the e-commerce landscape across countries and has expanded the scope of e-commerce, including through new firms, consumer segments (e.g. elderly) and products (e.g. groceries). Meanwhile, e-commerce transactions in many countries have partly shifted from luxury goods and services towards everyday necessities, relevant to a large number of individuals.
- Some of these changes in the e-commerce landscape will likely be of a **long-term nature**, in light of the possibility of new waves of the epidemic, the convenience of the new purchasing habits, learning costs and the incentive for firms to capitalise on investments in new sales channels.

Source: OECD Policy Responses to Coronavirus (COVID-19). E-commerce in the time of COVID-19. 7 October 2020

## The COVID-19 crisis has increased the share of e-commerce in total retail

Figure 1.a. Share of e-commerce in total retail sales, United Kingdom and United States (2018-2020)

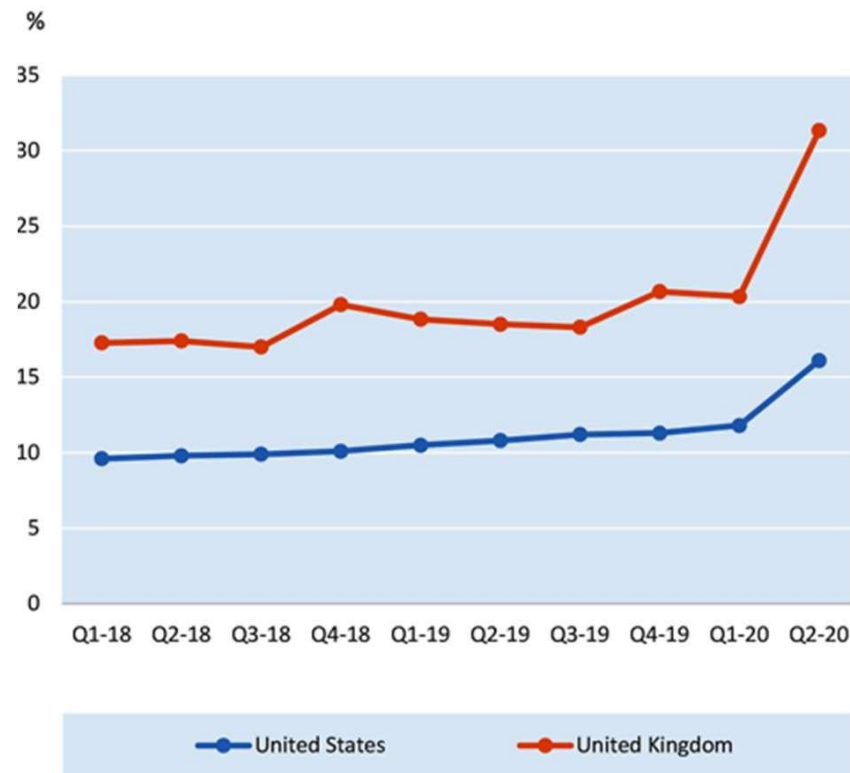
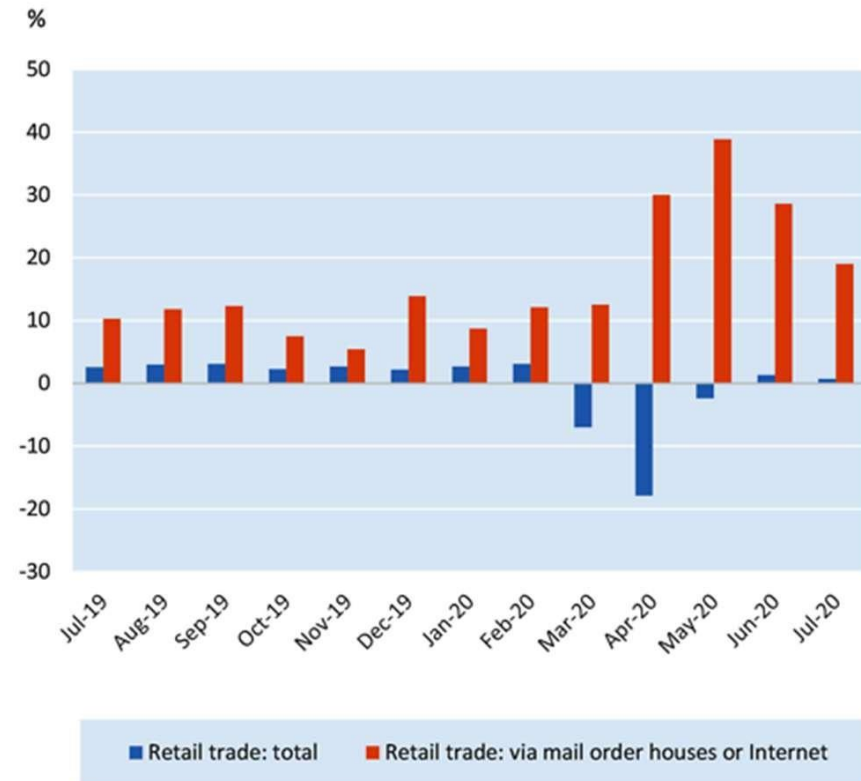


Figure 1.b. Retail turnover, year-on-year change, EU-27 (July 2019-20)



Source: OECD Policy Responses to Coronavirus (COVID-19). E-commerce in the time of COVID-19. 7 October 2020

## COVID-19 will permanently change e-commerce

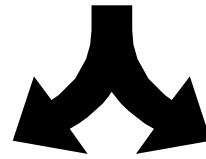
- The COVID-19 crisis accelerated an expansion of e-commerce towards new firms, customers and types of products. It has provided customers with access to a significant variety of products from the **convenience and safety** of their homes, and has **enabled firms to continue operation** in spite of contact restrictions and other confinement measures.
- Despite persistent cross-country differences, the COVID-19 crisis has enhanced dynamism in the e-commerce landscape across countries and has expanded the scope of e-commerce, including through new firms, consumer segments (e.g. elderly) and products (e.g. groceries). Meanwhile, e-commerce transactions in many countries have partly shifted from luxury goods and services towards everyday necessities, relevant to a large number of individuals.
- Some of these changes in the e-commerce landscape will likely be of a **long-term nature**, in light of the possibility of new waves of the epidemic, the convenience of the new purchasing habits, learning costs and the incentive for firms to capitalize on investments in new sales channels.

Source: OECD Policy Responses to Coronavirus (COVID-19). E-commerce in the time of COVID-19. 7 October 2020



## Start selling in internet

The dilemma faced by a company that  
wants to start selling online



### Sell through one of the existing e-tailers

(Amazon, ebay, Aliexpress...)

- Large number of users and good positioning.
- Lower transaction costs.
- Greater competition.

---

The use of existing marketplaces by SMEs allows them to:

- Get additional sales volumes and achieve greater economies of scale in their production.
- Increase its geographic coverage, reaching other countries without incurring additional commercial expenses.
- Take advantage of the recognition and trust that customers give to large marketplaces.
- Have tools to better understand the profile of customers and be able to design more precise campaigns.

### Develop its own online store

- At the beginning, low number of visits and difficult to get a good organic positioning in search engines.

- 
- There are applications and e-commerce platforms that allow a company to create and manage an online store, from the creation of the product catalog, promotions and payments, to analytical information.
  - With these tools you can have an online store in a few hours, its use is very easy and, depending on the volume of operations, its cost is very low (less than 10 euros per month).

# Main global marketplaces

1

## Sell through one of the existing e-tailers

(Amazon, ebay, Aliexpress...)

	Name	Region/Country	Products	Visits/month in 2019 (000 millions)
1	Amazon	Global	General	5.700
2	PayPay Mall	Japan	General	2.100
3	eBay	Global	General	1.600
4	Mercado Libre	LatAm	General	661
5	AliExpress	Global	General	639
6	Rakuten	Global	General	622
7	Taobao	China	General	545
8	Walmart.com	USA	General	469
9	JD.com	China	General	318
10	Etsy	Global	Crafts and gifts	266

Source: Webretailer (2020)

- They charge different types of fees and a commission.
- F.e. Amazon fees:
  - <https://sellercentral.amazon.es/gp/help/external/200336920>
  - <https://sell.amazon.com/pricing.html>

amazon Start ▾ Grow ▾ Learn ▾ Pricing ▾ Sign up 🔍

PRICING

## Let's talk numbers

The cost to sell on Amazon depends on your selling plan, product category, fulfillment strategy, and other variables. The options are flexible, so you can find the combo that works best for you and your goals.

### Selling plan

The Individual plan costs \$0.99 per unit sold, and the Professional plan costs \$39.99 per month no matter how many units you sell.

[See plan comparison ▾](#)

### Referral fees

Amazon charges a referral fee for each item sold. The amount depends on the product category. Most referral fees are between 8% and 15%.

[See referral fees ▾](#)

### Fulfillment fees

The cost to ship your orders depends on whether you fulfill your own orders or use Fulfillment by Amazon (FBA).

[See fulfillment fees ▾](#)

### Other costs

Some sellers may incur additional fees (such as long-term storage fees) or pay for optional programs like advertising or premium account services.

[See other costs ▾](#)

# E Commerce Business Game

This course has very practical orientation and it is about knowing the main tools that exist for the creation of online stores.

## OBJECTIVES

- Sell products\* (own online store, intermediaries, social networks, etc.).
- Understanding the mechanics of selling products online.
- Develop a business strategy.
- Integrate social aspects in business.
- Implement the strategy and analyze the results.

## SKILLS

- Apply Marketing, Finance, Digital economy... knowledge to **practice**.
- Interpersonal relationships (customer orientation).
- Decision making.
- Flexibility.
- Teamwork.

## E Commerce Business Game

### TOOLS

E-commerce platforms help automate many of the tasks that distract marketers from their true function: **SELLING**.

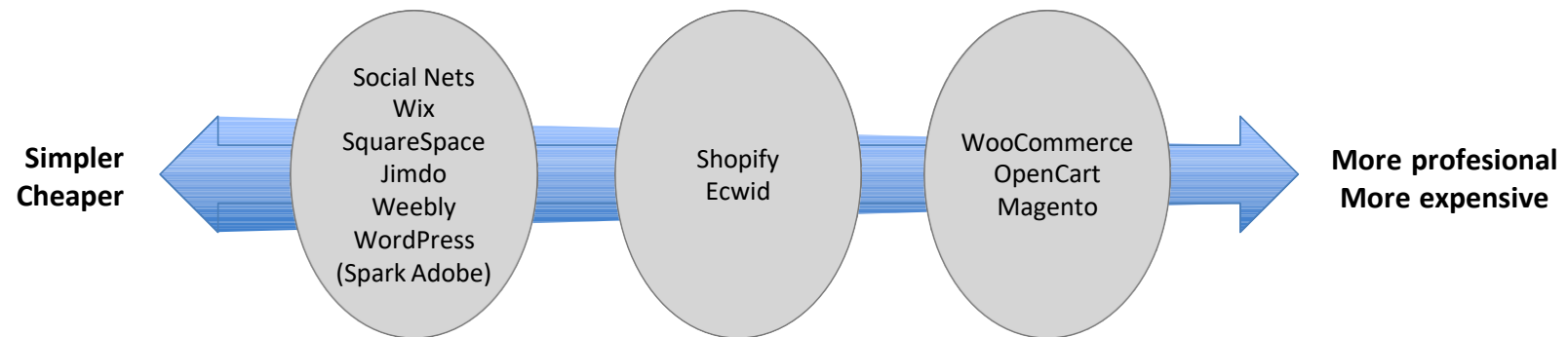
The choice of  
the tool  
depends on

- **Hosting service** (included in Shopify, WordPress, Wix or Weebly),
- **Complexity of the operation:** the simplest (Social networks, Wix or Jimdo) versus the most complex (Shopify).
- **Ease of use:** Wix, Weebly or Jimdo are the most accessible.
- **Offer of templates.** Some have a wider range than others.
- **Required functionalities.** Some manage the entire cycle of the operation (orders, shipments, promotions, taxes, etc.)
- Integration with social networks.
- **SEO options.**
- **Support offered** by each platform to its customers.
- **Cost.**

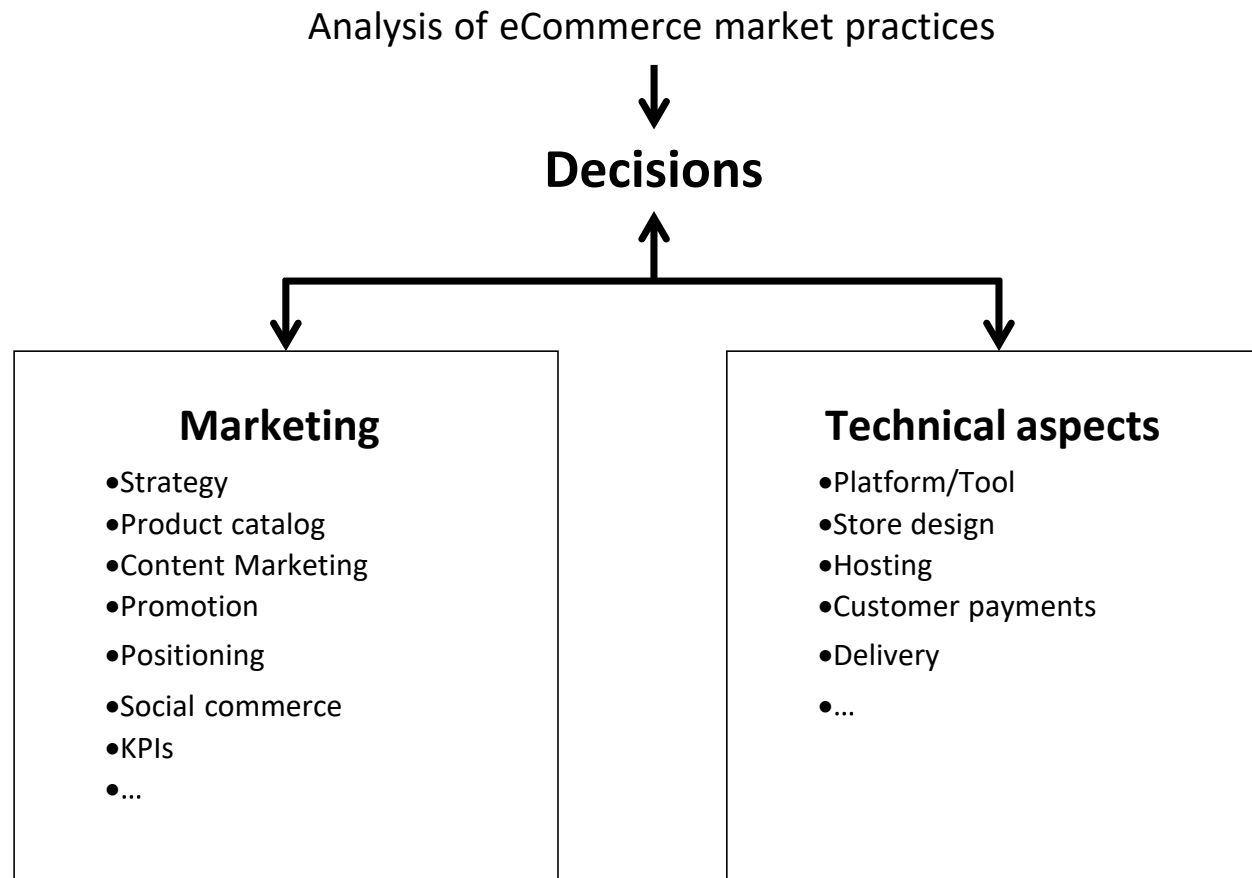
# E Commerce Business Game

## TOOLS

- New tools for the design and management of online stores are constantly appearing, like Shopify, WooCommerce, Magento, Ecwid, Wix, Squarespace, Weebly, Jimdo, Prestashop or WordPress.

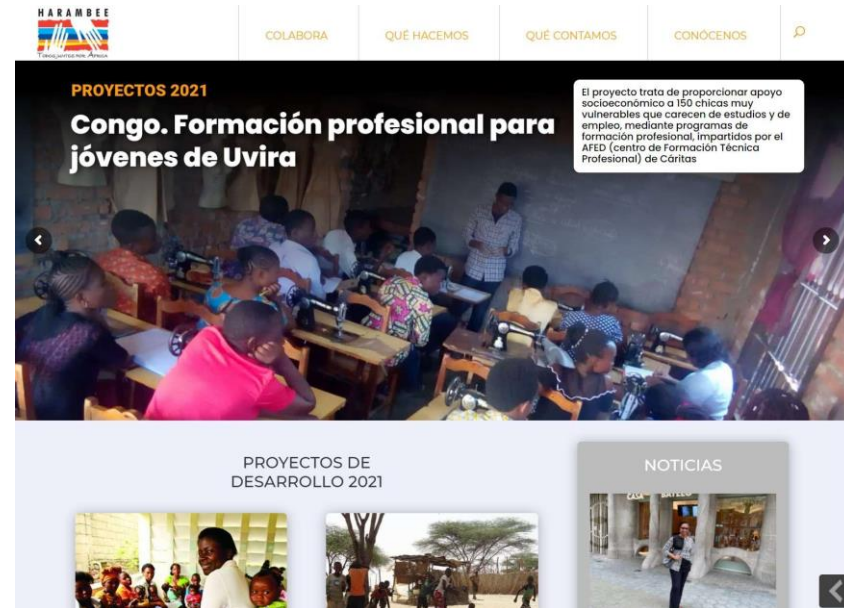


## E Commerce Business Game



## E Commerce Business Game

Harambee ONGD is an international solidarity project that promotes maternal and child health initiatives, promotion of women and education in Africa and on Africa, through development projects in the sub-Saharan area and awareness-raising activities in the rest of the world, spreading the values, qualities and future possibilities of the African continent.



<https://www.harambee.es/>

## E Commerce Business Game





## **E Commerce Business Game**

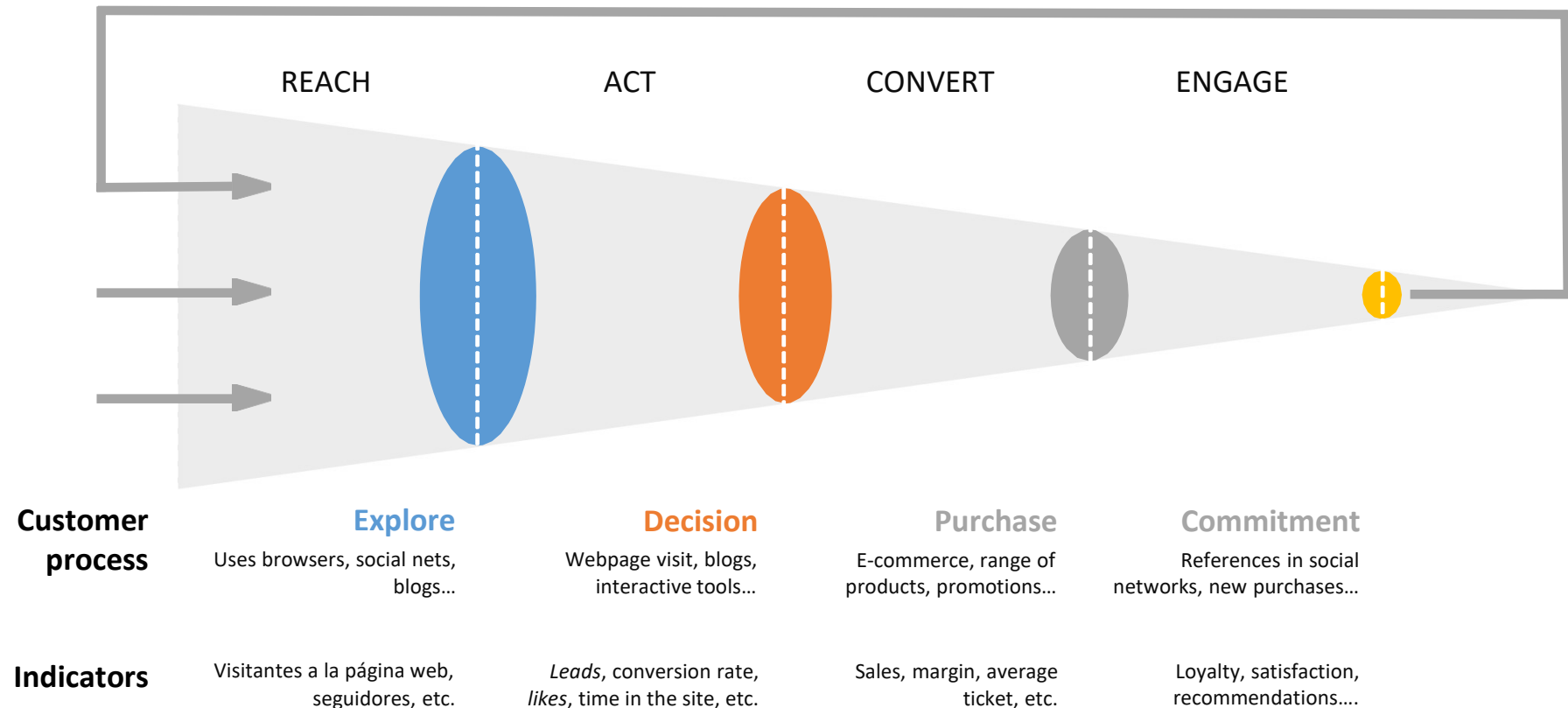
### **METHODOLOGY**

1. Participants, organized in groups, will start a marketing & sales operation in Internet.
2. Each group will perform as an online intermediary, considering all type of tasks:
  1. Identification of the opportunity: target group
  2. Value proposition
  3. Channel decision
  4. Marketing strategy
  5. Selling
  6. Final analysis
3. At all times you have to respect the legality conditions and act as a good seller.
4. The goal of the operation is to sell as many products you can (from the available inventory).

**We are not authorized to use the HARAMBEE  
trademark, because we are HARAMBEE**

# Conversion funnel

The customer acquisition process in e-commerce is reflected in the conversion funnel. It is a work methodology that explains the process that a user follows on the web.

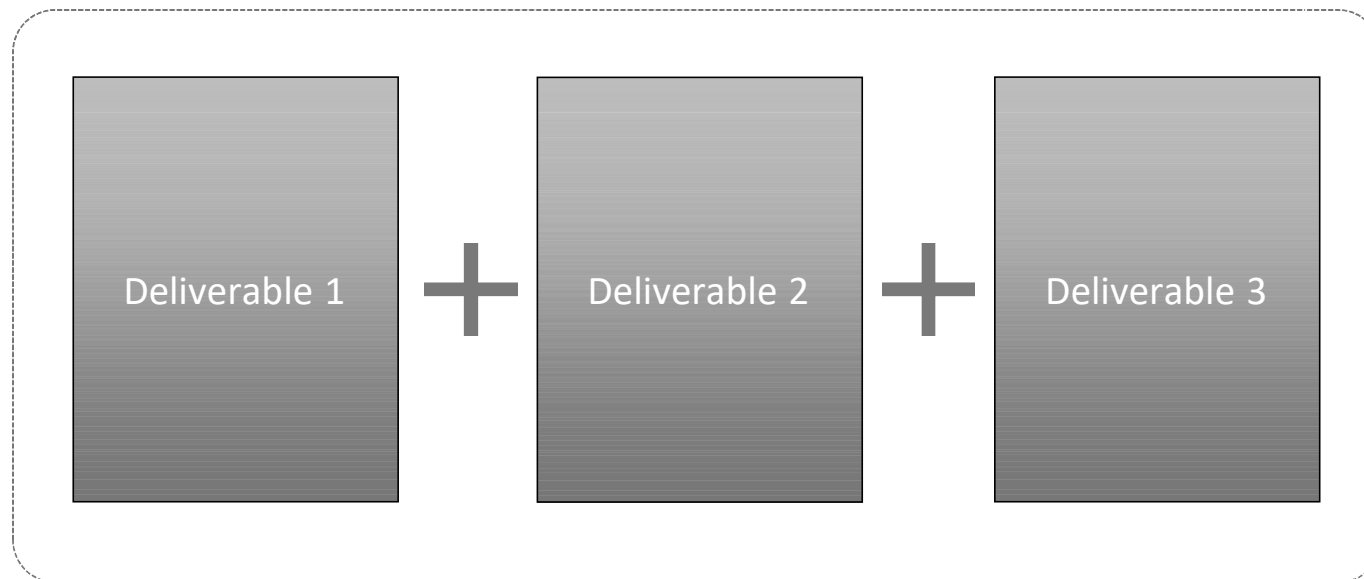


Knowing what phase of the funnel a customer is in is essential to decide one type or another of marketing actions

## E Commerce Business Game

### EVALUATION CRITERIA

Students will develop a number of reports or written documents (*Deliverables*).



**FINAL REPORT**

# E Commerce Business Game

## DELIVERABLES CONTENT

- **DELIVERABLE 1:** Initial analysis.
  - Analysis of competition
  - Define target group, include also buyer persona or empathy map models.
  - Products chosen
  - Channel for selling
  - Sales objectives: number of units to be sold, margin...
  - Timing
- **DELIVERABLE 2:** Operations
  - Marketing strategy (4 Ps)
  - Tools
- **DELIVERABLE 3:** Final project report -once the products be sold-
  - Economic analysis
  - Conclusions
  - Learnings
  - Donation

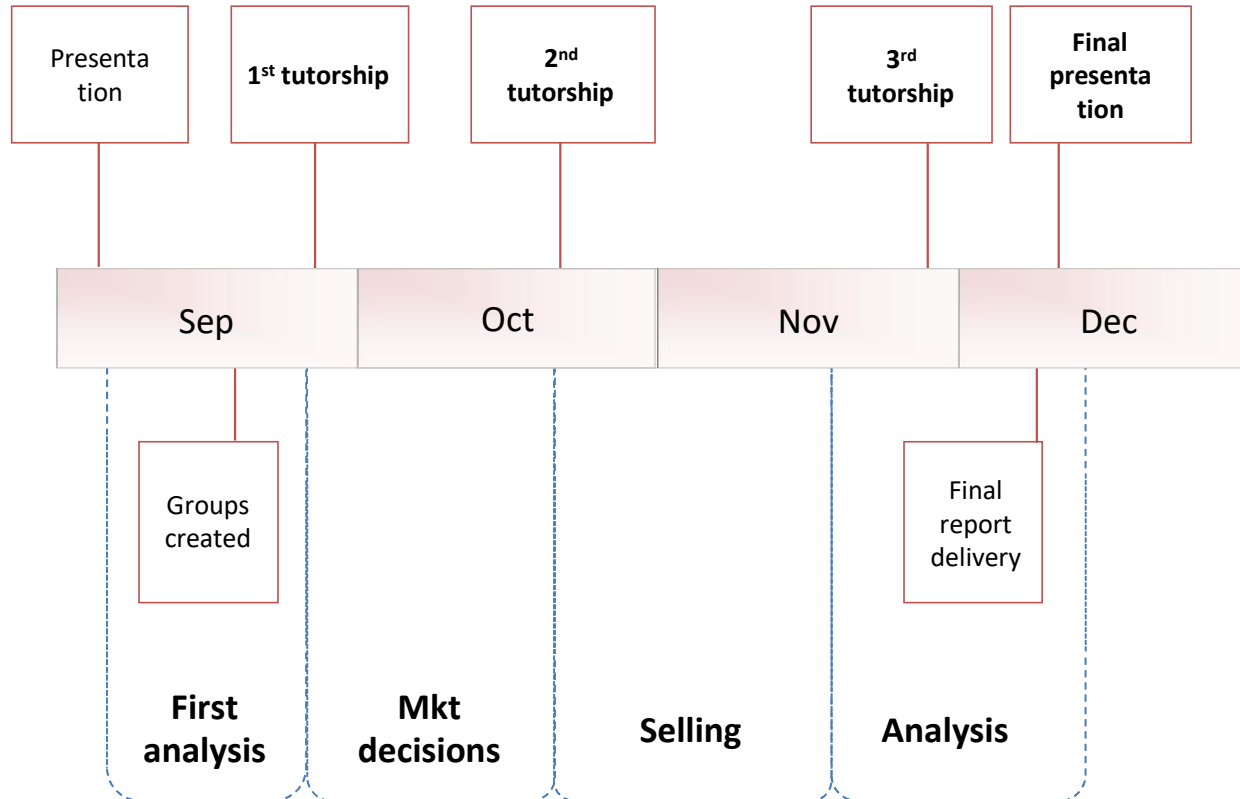
# E Commerce Business Game

## EVALUATION RUBRIC

	Weight	1	2	3	4	5
Complexity of the operation	20%	Product not on sale	Social networks	External platforms	own store	Own and succesful store
Marketing aspects	20%	Product not on sale	Basic marketing sales strategy, there is no interesting value proposition for the customer. There is no identified target group.	Adequate use of marketing: objectives, strategy, tools, etc.	Very good use use of marketing: objectives, strategy, tools, etc.	Reference for the group
Economic results	20%	Product not on sale	Few sales/Low margin	Medium sales/Low marging Low sales/medium margin	Medium sales/medium margin High sales/low margin Few sales/high marging	High sales/High margin
Conclusions and learnings	20%	There are no obvious conclusions of learning	The conclusions are very basic and only descriptive.	Correct conclusions about the process. The planned learning has been achieved	Correct conclusions about the process and extrapolated to future operations	In addition to the conclusions,they serve as a model for other groups
Team work	10%	No evidences of team work	There are important areas of improvement in the work system	Good system of work and organization of tasks	In addition important decisions / changes are made throughout the process to achieve the objective	It can be considered as amodel
Presentation and public defense	10%	Deficient	Below the average	Standard	Above the average	Reference for the group

# E Commerce Business Game (2021/2022)

## SCHEDULE



# E Commerce Business Game (2021/2022)

## SCHEDULE

	Phase	Week	Deliverable
1	Initial presentation	Sep 7	
2	<b>STARTING SESSION</b> <ul style="list-style-type: none"> <li>All participant will attend.</li> <li>Products information (availability)</li> <li>Working groups created</li> </ul>	Sep 21	
3	Mk Analysis: products, competition, target group, channel...		
4	<b>1st TUTORSHIP (1st deliverable)</b>	Oct 5	1. Market analysis 2. Products 3. Channels for selling 4. Objectives: sales, prices, margin & dates
5	Product supply (purchasing) Marketing strategy Platform design		
6	<b>2<sup>a</sup> TUTORSHIP (2nd deliverable)</b>	Oct 26	5. Plan (marketing strategy, tools, delivery, payment...)
7	Starting the selling period Operations (orders, payments, logistics...)		
8	<b>3<sup>a</sup> TUTORSHIP</b> Preparation of final report	Nov 23	
9	Delivery of final report Presentation	Dec 14 (tbc)	<b>3rd deliverable</b> 6. Final report and presentation: results and learnings

# E Commerce Business Game

## Groups

		Group
1	Leader: (+email)	1
2		
...		
1	Leader: (+email)	2
2		
...		